



Vermont's Response to COVID-19: Child Care Actions

Fact Sheet | January 2021

On March 27, 2020, the CARES Act was signed into law, including \$3.5 billion in supplemental appropriations for the Child Care and Development Block Grant to prevent, prepare for, and respond to the coronavirus. This funding represents a 60% increase in total discretionary appropriations for fiscal year 2020, which amounts to \$9.326 billion. States were given broad flexibility for how to use this funding and have therefore taken a variety of approaches to help address needs of working families and providers through COVID-19. However, as the funds ran out during the ongoing crisis, many states began pulling from other sources to continue supporting parents and providers alike. This fact sheet explains the actions Vermont took to support the child care industry and working parents through 2020.

Vermont received \$4.4 million in supplemental CCDBG funds. The state used these funds to implement a series of measures to support programs providing child care to essential personnel and developed a tuition support program to allow programs to pay their staff during the closure period.

Programs operating as emergency child care received an additional \$125 each week in supplemental pay (on top of tuition) per child served in emergency care. Programs that were closed received full tuition payments for each enrolled child if they committed to fully paying all staff and asked families to pay half of their usual tuition (or usual copay). If a family declined to pay, their provider could unenroll the child and the state would cover the full cost of the usual tuition, up to \$360 each week, until another family had enrolled. Families who could not pay, or who had seen a change in income due to work disruptions could apply for the state's subsidy program. Both these payments ended on May 30.

In May, the Vermont Department of Children and Families received an additional \$6 million in non-CCDBG funds to offer Restart Stipends intended to help providers meet the costs of reopening amid the pandemic. Stipends were issued between May 27 and June 17, and amounts were based on the number of children a provider served and the number of weeks the provider planned to operate from June through August.

In August, the Vermont legislature approved \$12 million of the state's Coronavirus Relief Fund (CRF) federal dollars for Operational Relief Grants. Licensed and unlicensed providers with revenue losses incurred

between March and October due to COVID-19 were eligible to apply for this competitive grant by August 26. To further address the heightened need for school-age care this fall, providers caring for school-age children were permitted to apply for this grant.

In early November, the Vermont legislature dedicated additional CRF dollars to offer Child Care Workforce Stabilization Payments. Recognizing that providers faced challenges recruiting, retaining, and supporting staff during the fall, the program offered one-time sums to child care staff who provided in-person care at any point from September 1 to December 30. In mid-December, funds were distributed to providers that applied. Each provider was responsible for distributing the funds to its staff before December 30 due to the original CRF expiration rules, which were subsequently relaxed in the December 2020 federal relief package.

Vermont's actions received widespread support across the state. A poll conducted in November found that 79% of Vermont residents thought "high-quality, affordable child care" was either "essential" or "very important" for the state's ability to "reopen the economy and get people back to work." Additionally, 78% of respondents favored increases in state funding to ensure "there are enough affordable, high-quality child care programs in Vermont for children under age five."

At the time of publication, the state had not yet announced any plans to further support the child care industry or working parents into 2021.